

Manipulative Ways: How International Corporations Seize the Natural Resources of Latin America

The powers of multinational corporations touch the lives of virtually every community on Earth and in profound ways.

by Jim Shultz, Founder and Executive Director

A U.S. engineering giant arrives in a Bolivian city under an assumed name and takes over its public water system. A Canadian mining company seeks control of El Salvador's gold even at the cost of poisoning its drinking water. An Italian energy conglomerate floods an entire valley in Colombia, decimating the lives and land of thousands with a massive hydroelectric project.

The powers of multinational corporations now touch the lives of virtually every community on Earth and in profound ways. Global conglomerates shape our working lives, our consumption habits, our diets, and our cultures. Most urgently, they are also driving us toward a global ecological crisis unlike anything humanity has ever seen. Unchecked corporate power is a threat to the future and if we are going to do something about it we need to understand how that power operates.

Nowhere are the damages of that corporate power more clear than in Latin America. The planet's natural resources are becoming more scarce just as the demand for them is on the rise. Latin America occupies just 16% of the Earth's land surface but its abundance in natural resources far outstrips its size, making the region ever more a target. From silver in Peru, to oil and gas in Ecuador, to lithium in Bolivia, the race is on for the wealth under foot in Latin America and giant international corporations stand at the forefront.

The invasion of Latin America by powerful forces from foreign lands is nothing new. It is a history that dates back more than five centuries to the dawn of European colonization. In the highlands of Bolivia there is a mountain that climbs to nearly 16,000 feet above the sea. Known as 'Cerro Rico' (the Rich Hill), Spanish conquistadores discovered in 1545 that the hill was filled with silver and began to stake their claim to it. In the three centuries that followed, silver from the mountain virtually bankrolled the Spanish empire. During the mining's peak years, the city that sits at the foot of the mountain, Potosi, had a population larger than any of the capitals of Europe at the time.¹

Historic estimates of the number of indigenous and African slaves and workers who were killed in the mines run in the tens if not hundreds of thousands. Bolivia, a nation that sat atop one of the largest reserves of mineral wealth on Earth was left with a hollowed-out mountain and the deepest rates of poverty in South America.

The modern instrument of foreign control of natural resources is the international corporation. From the U.S., Canada, Europe and elsewhere (and increasingly from Russia, India and China), corporations have descended upon Latin America with a common objective, to obtain control of the region's natural wealth and convert it into profit to be sent back home into the hands of the powerful. **This profit-seeking at all costs is not an accusation; it is their business model.**



During the 1980s and 1990s, the ‘Washington Consensus’ policies of the World Bank and International Monetary Fund paved the way for a new era of corporate control. The Bank and IMF had a vision for low-income countries, one that centered on the privatization of state companies and of natural resources such as oil, gas, and water. Going beyond merely offering countries their advice, the Bank and IMF established a set of ‘conditionalities’ that required nations to do these things in order to receive the funds they needed for development. Governments were coerced into altering their economic policies in the pro-corporate mold of Reaganism and Thatcherism or face a cutoff of crucial aid. Conservative regimes led by national economic elites readily obeyed, often profiting personally and enormously from the changes.²

These policies were justified by a theory developed in cubicles in Washington far away, that free markets and unfettered corporations were the essential key to lifting nations out of poverty. The realities on the ground, however, and the impacts those theories provoked proved to be very different.

The privatizations were plagued by corruption, lies, and economic hardship, and especially by environmental disaster. In Bolivia, a Shell-Enron pipeline spread toxic oil across a million square acre ecosystem inhabited mainly by indigenous peoples.³ In Ecuador, [Chevron-Texaco dumped](#) nearly 650,000 barrels of crude oil and more than 16 billion gallons of wastewater in the rivers and soils of the Amazonian jungle.⁴ These injustices eventually set off fierce citizen rebellions across the region. In many of these countries those citizen movements also swept new popular governments into power. These new governments pledged to return their countries’ resources and economies into national hands. It has been a movement with both positive results for the people of these countries (including increased government revenues and a return of public control) as well as results that have been plainly mixed (corruption and destructive environmental practices). But even in the worst cases, the possibility of change was allowed to rest in democratic hands.

Against this backdrop, the relentless efforts of foreign corporations to capture natural resources have not stopped; they have adapted. The corporate pursuit of Latin America’s natural resources continues unabated.

Now settled in for the long-haul, foreign corporations have developed a set of strategies designed to withstand resistance and the counter forces that have risen against them. This includes indigenous communities fighting for their land, popular mobilizations, and the brave environmental defenders who risk their lives, and who far too often lose them.

The ancient Chinese military strategist, Sun Tzu, wrote in *The Art of War*, “If you know yourself but not the enemy, for every victory gained you will also suffer a defeat.” One of the most important things that we must do is understand how these corporate powers play their game.

I don’t know that the corporations involved have explicitly published this strategy anywhere, but it is evident simply by observing the patterns of action on display in a whole set of corporate resource takeovers in the region.

Broken down to its most basic elements, this corporate strategy of manipulative ways has three basic pieces:

- 1. Wrap your plans in a happy narrative about ‘helping the people’.**
- 2. Make sure that democracy does not get in your way.**
- 3. If all else fails, sue for a fortune in the international trade tribunal system.**

Based in Bolivia for more than twenty years, the Democracy Center has been a part of Latin American struggles like these for two decades. We have been tear gassed in the streets. We have been close allies working in solidarity with communities on the front line. We have helped challenge the corporations and global institutions behind the scenes of these fights, and we have worked to raise global awareness about an international power game aimed at Latin America’s people and lands.

Our goal with this report is to pull away the curtain and shine a light on the strategies that corporations use in their efforts to gain control of the natural wealth in a part of the world where we have deep roots and deep affinities. We hope we can help to make these urgent struggles and movements more powerful. On a planet facing ecological crisis, the battles waged in one corner of the world are now more than ever, all our battle.



Strategy One: Pretty Words

Such a public/private partnership could help increase operating efficiencies, repair leaks and discourage pilferage. It would also accelerate the implementation of the building program without using national or municipal debt. -- Spokesman for the Bechtel Corporation on Cochabamba's Water Problems

Human and indigenous rights are intrinsic to our operating principles and corporate codes. We want to improve the quality of life for people in the areas in which we work by promoting education, employment and social inclusion. -- ENEL corporate messaging on its respect for indigenous rights and sustainability

No other mine in North America has gone to this level of environmental protection. - Thomas Shrake, chief executive of the Canadian mining company Pacific Rim.

If you read the proclamations of the corporations involved in the scramble for Latin America's natural resources, you could easily mistake them for the declarations of a UN agency or development NGO. They cast themselves as benevolent actors whose true purpose is to lift up the lives of the local people – to give them affordable energy, ample water, new economic opportunity, and a better future.

The conquistadors felt no such need for such niceties. They simply declared the lands that they encountered as territories of the foreign monarch. The people they encountered were forced at sword point to pay taxes to the crown and send their mineral wealth off to other lands. Today, corporations have a much trickier road to maneuver. They have to manage their image with the people and governments in the country where they have landed and also with the wider public audience

in their home country. **A well-crafted corporate public relations approach is essential on both fronts.**

When foreign corporations knock on the front door of a developing nation, their pitch is aimed at the people's longing for a better life and they make big promises about how they can deliver the goods. That same message has been backed strongly by institutions such as the World Bank and IMF. Not coincidentally, it is also a story cheerfully accepted by local elites, the small and wealthy subculture of the population actually positioned to benefit personally. As the Transnational Institute has written: *How many times have you heard politicians, economists, business men or journalists saying, if a country wants to develop, it just need three things: investment, investment and investment! This statement follows one of the basic premises of neoliberal economics: "Foreign Direct Investment (FDI) is a pre-condition for development."*⁵

People in low-income countries do want affordable energy, ample water, new economic opportunity and a better future. They have as much a right to these things as people in affluent nations. But the promises of foreign investment and what it actually produces in reality are often two radically different things.

ENEL is an Italian energy corporation that set out to dam the Magdalena River in Colombia for a massive hydroelectric development. Its pitch was about getting people affordable electricity. The [corporation boasted](#) that its subsidiary there "reached 22% of the total [electrical power] generated in that market in 2017."⁶ The boast however, was aimed to obscure another key fact – **that the energy generated by the massive dam had little to do with generating energy**

for the Colombian people and everything to do with generating electricity for the lucrative export market, with massive ecological consequences to Colombia. The company's Quimbo dam project will ultimately decimate [82 square kilometers](#) of fertile farmland densely settled by small farmers.⁷ By the company's own admission the giant project is aimed at producing less than 8% of Colombia's energy needs, with [the rest being sent](#) by power lines for foreign sale to Ecuador, Panama, and Central America (and much of that to provide electricity to mining and other environmentally destructive projects in those places).⁸

Miller Dussán Calderón, a local community leader in the fight against ENEL's project (and who was later [criminally prosecuted](#) for that opposition), described the reality of the project this way, "**[Enel] has invaded our territories and they are now destroying our strategic ecosystems, our food security, kicking communities out of their own territories.**"

That same giant gap between promises and reality landed in Cochabamba, Bolivia, in the 2000 [takeover of the city's public water system](#) by a subsidiary of Bechtel, the California engineering conglomerate. The water system's privatization was set in motion by the World Bank, which in 1997, made relinquishing public control a condition of Bank aid for water service expansion. Bechtel's privatization deal boasted three big promises to local water users: foreign investment to expand water services, skilled management, and foreign technical expertise.

In reality, what Bechtel's water takeover produced was [sudden and massive rate increases](#) on some of the poorest water users in Latin America, well beyond what families there could afford. Families earning \$100 per month were handed increases equal to the cost of feeding their families for two weeks. The product of that foreign investment was an exorbitant 16% annual return on investment that Bechtel negotiated in secret, guaranteed by the government's willingness to shoot its people. The product of its 'skilled management' and 'foreign expertise' was a series of massive general strikes and road blockades that shut down the country, along with police and military repression that left a teenage boy dead and

dozens of others severely wounded. The company was forced to leave less than six months after its arrival.⁹

In El Salvador, Pacific Rim tried to pave the way for its mining permits by establishing a small foundation to become the public face of the company and the main promoter of its interests. As my Democracy Center colleagues, Aldo Orellana and Thomas McDonagh [write](#), "They rolled out a range of health and education projects, capacity building with women's groups, infrastructure projects etc. This allowed them to present themselves to the communities as a benign benefactor of 'development.'" But the company's real interest was not in local football teams or festivals, but in gold.

Cecilia Olivet, a specialist on trade issues with the Transnational Institute, who also chaired the President of Ecuador's special commission to review that country's foreign trade agreements, describes the reality of foreign investment this way: a system designed for maximum profit and minimum public protection. For decades governments have blindly followed the neoliberal mantra that attracting foreign direct investment (FDI) will automatically translate into economic development.

She explained: Yet, it is now widely acknowledged that the benefits of FDI are not automatic. Foreign investment could create decent jobs, generate taxes or bring technology transfer, but only when the right regulatory framework is in place. Regulation is also crucial to attempt to restrict the negative social and environmental impacts of big investment. Yet, most governments have chosen to put on a straitjacket on their capacity to regulate. They maintain and continue signing investment treaties that put a heavy price tag to the governments' regulatory powers.

These more complicated realities stand in sharp contrast to the happy messages that corporations use to get themselves in the door and the slick public relations they use to keep up their images with investors and the public back home. But as we will see later, it is precisely that huge gap between proclamation and reality that offers up one of the best tools to combat them.



Strategy Two: Don't Let Democracy Get in the Way

In theory, the people of countries where global corporations set their sights have a natural defense mechanism to look after their interests – democracy and the protective powers of government. A foreign corporation can't simply wander into a country and start drilling, mining, fracking or damming. It needs a complicated set of permissions from the government, with the President, the legislative branch, regulatory bodies, the courts, and even community-based consultations playing a role. That is the theory, but again the reality is usually something very different.

Foreign corporations entering a nation in search of its natural resources are well aware of the complicating factors of environmental protections, territorial rights, and community approval processes that can get in the way of their plans. As noted earlier, this handcuffing of democratic authority begins even with the deals made before a company arrives. One of the first things corporations do after arrival is to assess the remaining threats to their plans and engineer a strategy to deal with them. **A key approach is influencing the laws, rules and regulations governing environmental protection, an approach that some activists refer to as, "Why break the law when you can make the law."**

Such is the case of the Glencore Corporation's dangerous mining ambitions in Peru. Glencore Xstrata is a Swiss-owned multi-national that is the third largest mining company on Earth, with operations in more than fifty countries. In 2018, the *Fortune 500* listed it as the [14th largest corporation](#) in the world. In Peru, the corporation has been involved in mining for copper, iron ore and other minerals since 2006, which is how it landed in the small Andean province of Espinar, home to 60,000 people, mostly small farmers.

Modern mining operations require water in large quantities and the result is often the contamination of that water with dangerous chemicals such as arsenic, thallium, and lead. This was the case in Espinar, where water for mining is drawn from and then returned to the province's local river system. Protection against such contamination is the government's job, but as one local Mayor, Oscar Mollohuanca, [warned](#), **"The Espinar Province is at risk of intense water stress if serious measures aren't taken now, but the [national] government is more concerned about the mining sector."**¹⁰

It is not coincidence that the Government of Peru turned a blind eye to the contamination of Espinar's rivers. As the Democracy Center's Aldo Orellana Lopez and Philippa de Boissière [report](#), it was the product of a direct lobbying campaign driven by the Swiss firm to be sure environmental regulations would not get in the way of its ambitions. As is the case with other foreign corporate pressure efforts, the company did not mount that campaign in its own name.

Foreign corporations draw too much local suspicion. [Glencore embedded its anti-regulation efforts in a local industry association](#) (the National Association of Mining, Oil and Energy). The Association launched an intense national media campaign aimed at policy makers, warning that the nation's economy was "slowing down" as a consequence of excessive regulation, including rules to protect people and communities from the environmental consequences of Glencore's mining operations. Similar lobbying efforts to relax and undercut environmental regulation can be found across the region.

Another area of ‘**corporate capture**’ can be found in manipulation of local ‘consultas’. In countries like Bolivia and Colombia and others, laws require that local communities be ‘consulted’ in advance of a major project. In some cases they have approval power but in others all the law requires is that they be listened to.

Sian Cowman and other members of the Democracy Center attended one of these community ‘town meetings’ in 2017 in San Martín Colombia. There, Conoco Phillips, the [13th largest oil and gas company in the world](#), was pushing a massive 33,000 hectare fracking project, with dangerous implications for local groundwater. The town hall meeting was a requirement for the corporation’s sought-after environmental license.

After witnessing the consultation first hand with skeptical members of the community, Sian [wrote](#): ***It appeared that ConocoPhillips was just completing a formality – they were not asking for feedback on locals’ concerns in order to take them into account. And it almost seemed state-sanctioned, with a representative from the national licensing agency present. If I hadn’t known who she was, I would have thought that she was a ConocoPhillips employee, given the condescending tone she used towards locals.***

While consultation events like this are used by companies to claim that they listened to the people affected, too often they are just a charade. Dorys Stella Gutierrez, President of one of the community organizations opposing the ConocoPhillips project [said](#), “They want us to be guinea pigs; they want to practice on us. Losing our land is not worth a handful of coins. **The government thinks money is more important than human beings here in San Martín.**”

Finally, the reach of corporate capture of public institutions goes well beyond the quiet offices where environmental approvals are granted and scripted meetings are held in a hall. It also reaches into local police forces which are turned from protectors of the people into the defenders of foreign companies. These corporations aren’t foolish. They know that public anger against them quickly turns to protest and when

the battle lines move from offices to the streets, the companies want to assure that the police will be on their side.

The traditional route for doing that is for corporations to secure the military and police backing of national and local governments.

During the Cochabamba Water Revolt, the national government issued a declaration of martial law and sent out both soldiers and police to violently repress the anti-Bechtel protests. A 17-year-old boy, Victor Hugo Daza, was shot in the face and killed by an Army sharpshooter. But in some cases corporations have gone beyond even that. In 2013, a set of Freedom of Information Requests revealed that the [Peruvian police signed a series of agreements](#) with at least 13 natural resources corporations to provide them with paid private security, among them Glencore Xstrata.¹¹

The result of all this is the **criminalization of dissent**.

In Peru, Colombia, Bolivia and beyond, local activists are prosecuted for the act of protest; for the sin of standing in the way. They are threatened with long jail sentences designed to send a message to those who might follow their example. And in places such as Colombia and Honduras, where political violence is an ever-present undercurrent, those targeted by corporate-driven criminalization also become targets for far worse.

Berta Cáceres, a Honduran activist who had long battled against mega-dam projects in her country and in the region, was shot and killed in her home in 2016. She [reported](#) before her murder: *They follow me. They threaten to kill me, to kidnap me, they threaten my family. That is what we face.*

Global Witness [reported](#) that in 2015, the death toll among environmental activists around the world broke all records: 185 known deaths and a 59% increase from the year prior. When foreign corporate reach extends all the way to the police, the stage is set for attacks on those who speak out against their interests. **Being an environmental defender in Latin America has become one of the most dangerous acts on Earth.**



Strategy Three: When All Else Fails, Sue In An International Tribunal

After Bechtel was kicked out of Bolivia by a mass public uprising, it retaliated by filing a \$50 million demand against the people of Bolivia at the International Centre for the Settlement of Investment Disputes (ICSID), the World Bank's international trade court. When Pacific Rim, a Canadian mining firm, was denied the permits it needed to continue its gold mining operations in El Salvador (a denial that was also the product of public protest) it turned to ICSID as well, seeking \$250 million in damages.

As resistance to foreign raids on local natural resources rises, more and more companies are relying on an escape plan quietly enshrined into international trade rules over a period of decades – **sue for exorbitant 'lost profits' in one of the international trade tribunal systems created for that purpose.** Mining companies, oil and gas corporations, even cigarette manufacturers upset over government-required health warnings, have all turned to the system to seek huge fortunes in supposed damages, all at public expense.

The growth in such cases [has been explosive](#). From 1992 to 2002, about one hundred corporate trade dispute cases were filed worldwide. In the decade afterwards more than four hundred cases were filed. "It's like a quiet, slow-moving coup d'état," observed Lori Wallach, Director of Global Trade Watch.

The world is now wrapped in a tangled web of more than 3,000 bilateral and multi-lateral international, trade agreements between nations. International corporations are a major driving force behind these agreements so it is no surprise that they are designed to protect corporate interests. One key issue that

corporations insist on in these agreements are about what happens if a government takes a policy action that might hinder their profit-making – halting a mega-dam project, or restricting chemical release into drinking water, for example. The companies do not want to take their case to local courts, which they believe might not look kindly on their demands, hence the invention of the international tribunal system.

In the ICSID system, the most frequently used system by far, cases are presided over by a tribunal of three 'arbiters', lawyers who [rotate from one case to the other](#), sometimes as a jurist and other times as a lawyer representing a corporation. As the Transnational Institute [has written](#): *This small group of lawyers, referred to by some as an 'inner mafia', sit on the same arbitration panels, act as both arbitrators and counsels, and even call on each other as witnesses in arbitration cases. This has led to growing concerns, including within the broader legal community, over conflicts of interest.*

These tribunals conduct their business behind closed doors in the US and Europe, far from the people who have been impacted on the ground and who will be expected to pay the bill if a corporation wins. Affected communities are excluded, except for the supposed representation offered by the same governments that made the slanted agreements with the corporations to begin with. **And importantly, corporations are entitled to seek not only the return of the actual funds they've invested, but the profits they had hoped to make and were denied as a result of a nation's choice.** Bechtel's Bolivia subsidiary, for example, invested only \$1 million in Cochabamba, according to documents obtained by the Democracy Center, but sought payment of \$50 million,

claiming lost profits. So profitable are these cases that some of the litigating corporations have even turned the cases themselves into a lucrative market, [selling stakes to investors](#) who then get a share of the settlement.

For the companies involved in these cases, the system is a double-win proposition. Just the threat of such a case, which can cost a poor nation a huge fortune, is enough to have a chilling effect on changes in policy not to the company's liking. If a corporation's plans in the country are forced off track by public opposition, tribunal cases offer an escape that can be far more profitable than if they had stayed.

Beating Goliath: Using People- Power to Challenge Corporate Power

This growing power of global corporations in Latin America is not going unchallenged by the communities affected nor by the international activists and organizations who join in solidarity with them in their struggles. Brave and powerful activist campaigns have been waged across the region and globally in defense of natural resources and territory and against the rise of corporate control. At their heart, these campaigns use a set of strategies that are essential to taking-on these corporations.¹²

1. Mobilizing Together

One of the enduring images in social justice activism is the drawing of a school of small fish all joining together to form a larger one to challenge their predator. This is the foundation of challenging corporate power, seeing that the issue involved is not that of one person, one family or even of one small town, but that it is a threat to all the people impacted. Latin America never fails to provide deep inspiration about humble people banding together to take on larger powers. A city in Bolivia was shut down three times by popular general strikes and road



When a subsidiary of the Bechtel Corporation took over the public water system of Cochabamba, Bolivia and skyrocketed water rates, the people shut down their city with three general strikes until the corporation was forced to leave. (credit Thomas Kruse)

blockades. A community in El Salvador pressed its right to clean water even after some among them were killed for their resistance. Indigenous groups in Ecuador joined together to demand accountability for the destruction of their lands.

The building of communities of resistance like this is about more than just exercising political might, though they certainly do that. Taking public action like this in Latin America is not the same as in Europe or the U.S. It is a sacrifice of another order. Crops go untended or fields unirrigated. A week of strikes means a week of no salary to pay for food. It is also a personal risk of a different order. The price of challenging corporate power in places like these can be prison, or torture or death. There is no escape door back to a normal life. There is no simply dropping out of a struggle to do something else.

In the aftermath of the Water Revolt, my friend, Oscar Olivera, the protest's most visible leader, said, "**What happened was that the people lost their fear.**" I witnessed this close up in the streets. The dangers were palatable and yet the people stayed and only grew in number. The same is certainly the case in other similar struggles across the region. The backbone of a local challenge to unchecked corporate power is unity and commitment to one another: rural and urban, laborers and professionals, young and old.

2. Target the Corporation's Misleading Narrative with a Real One

Strong activist campaigns are rooted in the stories we tell about what is happening, what is at stake and what must be done. With increasing sophistication, the communities involved are battling back with counter narratives that are powerful, understandable, and truthful.

In the fight against fracking in Colombia, local activists tapped into the power of anti-fracking efforts in other countries, including wealthy ones. Carlos Andrés Santiago, a local man who challenged ConocoPhillips at their community consultation, declared: *If fracking is so great, if it brings so many benefits, and it doesn't contaminate, and we're the ones who are being alarmists and lying, then how come in Australia five out of seven states have banned it? Why is it that a month ago in Ireland, the President signed into law the banning of fracking?*

In the fight against gold mining in El Salvador, local activists and their supporters relentlessly linked the fight to something everyone in the community cared about and understood: the contamination of their water. "Focusing on the defense of water was always going to resonate at all levels – political, social, academic and economic...because of the grave water crisis that the country is going through," said [Pedro Cabezas](#) from the Association for the Development of El Salvador.

An **effective counter narrative** to that offered by the corporation connects the dots between the things that people genuinely care about and the actions of the corporations involved. It shows how the powers and systems affect the lives of real people in real ways.

3. Using the Levers of Power in Government and the Legal System

Local communities and campaigners have also zeroed-in on the precise levers of power within the government that foreign corporations seek to manipulate to their ends – in the environmental ministry, the trade ministry, the Presidency, or elsewhere. They expose the efforts of foreign corporations to influence or control the actions of these officials. They look for other levers of power that can be used to counter them – sympathetic legislators,

local officials, and others. In Peru, for example, local mayors have had an important role to play in calling out the pro-corporate actions of the national government.

Affected communities have also taken legal action to try to block corporate moves and to demand restitution for past misdeeds. The Ecuadorian communities that have endured environmental decimation at the hands of Chevron-Texaco have been waging a legal fight against the corporation since 1993, seeking billions of dollars in compensation. In 2011, an Ecuadoran court ruled in favor of the communities in the [Lago Agrio case](#), setting the precedent that foreign corporations must be held accountable for their actions. Eight years later, however, those communities continue to seek the legal means to force the company to pay.

Impacted communities have also played essential roles in the legal fights in the investment tribunal system. In the successful fight against Bechtel's ICSID case against Bolivia, the community leaders of the Cochabamba Water Revolt were front and center, helping to organize support worldwide. Local affected communities in El Salvador also played a central role in the winning campaign against Pacific Rim's ICSID case against their country over the denial of the company's mining permits.

4. Take the Issue Right to the Top of the Corporation

Corporate officials and boards have the ability to toss environmental destruction into communities from far away, like Zeus shooting thunderbolts. The heads of a major corporation can decide to destroy an entire Andean valley and never meet a soul who lives there.

The basic legal function of a corporation is to protect the individuals who own and run it from liability. One effective strategy that activists use is to strip away that anonymity and that protective shield and fix the story of abuse squarely onto the top leaders of the corporation involved.

In the Bechtel case, the Democracy Center gave 2,000 activists the personal email of the corporation's CEO, Riley Bechtel. Only that finally forced him and his spokespeople to come out in public and admit their role and defend it. When ENEL was pushing criminal prosecution of two opponents of their mega-hydro

project in Colombia, a coalition of allies went after the company's CEO on his Twitter feed. Actions like these globalize these local stories in a way that directly connects the dots between the injustice being done on the ground and the office suites where it is instigated.

A modern corporation is driven by a math calculation aimed at maximized profit. One good way to get a corporation to back down is to manipulate that math until, by its own analysis, the corporation concludes that the cost of fighting you is more than the value of winning. It is about making the damage that we cause to a corporation's interests more costly than what it hopes to gain. One way to do that is to make the CEO carry the public weight of the company's foreign abuses. When Bechtel finally dropped its Bolivia case in 2006 for a token payment of 30 cents, Bolivian negotiators said it was the corporation's CEO that ordered its retreat to make the damage stop. It took only a few months of ENEL's leadership being pummeled with the story of its prosecutions in Colombia for those cases to be suddenly abandoned.

5. Building Global Solidarity

When a community is under threat from a multinational corporation in most cases it is fighting a battle that it cannot win alone – and shouldn't have to. These communities need and deserve support from the outside, especially from groups and people in those corporations' home



When the Canadian Mining corporation, Pacific Rim, sued the people of El Salvador for \$250 million in a World Bank trade court, activists staged protests at the Bank's Washington Headquarters (credit, Institute for Policy Studies)

countries. Communities under threat need a whole range of solidarity actions. They need solid information and insight about the corporate actors they are dealing with – their interests, their leaders, their track record in other places, and more. They need people who can call out corporations on their home turf, in San Francisco, Geneva, Rome and beyond. These **communities need global allies** who can help spread the fight more broadly and against a set of corporate actors that are resolutely global.

In the battle against fracking in Colombia, local activists have benefited from linking with anti-fracking activists in the global north, both in terms of information and action. In the campaign to fight Pacific Rim's demands against the people of El Salvador, groups like the Institute for Policy Studies, CISPES, Mining Watch, and others [rallied global support](#) in close partnership with activists in the affected communities. In that fight, in the face of relentless protest, the ICSID panel [ruled in favor of El Salvador](#) and ordered the company to pay the government \$8 million to cover its legal expenses.

Manuel Pérez-Rocha, a trade and solidarity campaigner at IPS reflected afterwards: *Unlike the investment dispute rules, a one way avenue where only investors can sue, this case demonstrated how international solidarity makes that street go two ways. While the support of hundreds of organizations around the world proved to be vital for the defense of El Salvador, the local and national struggle of Salvadorans was an outstanding inspiration for groups fighting trade agreements like the Trans Pacific Partnership or environmental activists combating climate change.*

While this kind of solidarity can make local campaigns far stronger, it also carries a risk of becoming just one more lopsided power relationship. The foreigners have all the international relationships, the voice in the global media and more, while the communities on the front lines who have to live with the impacts are left in the backseat. My Bolivian Democracy Center colleague, Leny Olivera, has been working with frontline communities in Latin America for more than a decade and describes the challenge this way:

There is a strong tendency to reproduce the same power relationships between North and South. The affected communities provide the raw material [the stories] and

the foreigners process it into articles and analysis. A lot of people come talking about solidarity but they are really collecting material for their theories.

Making global solidarity something different than that, she says, is about genuinely helping impacted communities to develop a stronger capacity to fight their own battles locally. She includes in this assisting communities to develop communication tools they can use to reach a wider audience on their own (social media, etc.) and helping them create their own linkages to sources of foreign support. That real solidarity, Leny says, means forming long-term connections with communities, not just quick drop-ins. Finally, she notes, that for solidarity to have integrity it must be aware of and respect the historical issues – such as indigenous rights and colonialization – that always sit in the background of these modern struggles against corporate abuse. Solidarity from the North to the South, she says, **“is not a favor, it is a moral obligation.”**

Conclusion

Our literature and entertainment are full of stories based on a common fear: that one day the creations of human kind will become strong enough to control us. From the robots of Terminator to modern stories of artificial intelligence systems that take over the world, we have long flirted with the fears of being overtaken by something not human but of human design. In fact, we do not need to look to science fiction for such creations. They are in full operation among us as modern mega-corporations. Like the robots of science fiction, these sprawling enterprises outlive the people that gave them birth. They move through the world based on an operating system of commands –in this case profit-seeking– and they have a power to alter lives and communities that can match almost any machine our movies have imagined.

The science fiction master Isaac Asimov was obsessed with the idea that robots could one day conquer their human creators. He wrote dozens of short stories over decades about such scenarios and he concluded that machines of such power would

need to be programmed with a set of inalterable rules obeyed in this precise order:

1. A robot may not injure a human being or, through inaction, allow a human being to come to harm.
2. A robot must obey orders given it by human beings.
3. A robot must protect its own existence.

To be clear, not all corporations act in the evil ways of a killer robot and the people who work in their lower rungs do so mainly because they are trying to make an honest living from the limited options available to them. But, there are indeed corporations among us that knowingly kill people as a business model (cigarette makers, for example) and who are content to create ecological chaos to keep their profits maximized (the fossil fuel industry). Corporations like these, and those seeking Latin America’s natural resources, follow Asimov’s rules in reverse order. Their thirst for profit rises above all other considerations, including human life and the future of the planet. We have in our midst the corporate equivalent of what Asimov would have considered robots run amok, and these are the corporations we need to challenge with full conviction.

The good news about such corporate power is that it acts in predictable ways, some of which are described here. Corporations such as these will always have a story that makes it seem like they are acting in our interest. They will always seek to use the power of money to subvert the instruments of democracy to their ends. And they will always create and seek new mechanisms such as global investment tribunals to protect themselves against popular challenges to their plans. It is that very predictability that gives us the openings we need to undermine them.

The best way to challenge the manipulative ways of global corporate power is first to know them.

If we do, with clear eyes and together in community and solidarity, we can challenge them in strategic and strong ways. We can be sure that the urgency and bravery that drives these struggles is made as effective as it can possibly be. We can give ourselves the best chance possible to stop the social injustices

and ecological chaos that unchecked corporate power leaves in its wake. In fact, the future of the planet requires nothing less.

Through a combination of research and analysis, training and support, and active campaigning, the Democracy Center works globally to strengthen struggles for social, economic and environmental justice. The Democracy Center was founded in 1992 in San Francisco and works today from the U.S., Bolivia and Europe.

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<https://www.theguardian.com/cities/2016/mar/21/story-of-cities-6-potosi-bolivia-peru-inca-first-city-capitalism>

² For a summary and analysis of Washington Consensus economic policies and their impacts see the conclusion of *Dignity and Defiance. Stories from Bolivia's Challenge to Globalization*, edited by Jim Shultz and Melissa Draper, UC Press.

³ For a full account of the Shell-Enron oil spill see *Dignity and Defiance* chapter two.

⁴ See, Aldo Orellana, "Chevron vs Ecuador: international arbitration and corporate impunity," Open Democracy, March 2019: <https://www.opendemocracy.net/en/democraciaabierta/chevron-vs-ecuador-international-arbitration-and-corporate-impunity/>

⁵ The Dark Side of Investment Agreements, Transnational Institute, December 2011

⁶ ENEL, "Generation in Colombia," <https://www.enelamericas.com/en/aboutus/a201609-generation-in-colombia.html>

⁷ Agencia Prensa Rural in Colombia, "La represa del Quimbo, Huila, desalojará a 467 familias e inundará 8.250 hectáreas de las mejores tierras en esa región," <https://www.prensarural.org/spip/spip.php?article2450>

⁸ El Tiempo, "Hidroeléctrica El Quimbo arrancará a finales del 2014," <https://www.eltiempo.com/archivo/documento/CMS-12835813>

⁹ For a full account of the Water Revolt, see *Dignity and Defiance* chapter one: <https://content.ucpress.edu/chapters/11049.ch01.pdf>

¹⁰ Aldo Orellana and Philippa DeBossier, "Glencore Xstrata and corporate power in Peru," The Ecologist, December 27, 2014

¹¹ Stephanie Boyd, "When the police are paid by the mine," New Internationalist, September 1, 2017: <https://newint.org/features/2017/09/01/private-police>

¹² For more guidance on strategies for anti-corporate campaigning, see The Democracy Center's guide: Beating Goliath <https://democracyctr.org/resource/beating-goliath/>